

# Multi-level Study of Broiler Industry in Lahore District.

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# Sequence of Presentation

- Introduction and Background
- Objectives
- Methodology
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# Background and Introduction

- Before ninety sixties poultry in Pakistan was not a commercial business but for household needs.
- In 1963 PIA in collaboration with SHAVER poultry breeding farm CANADA started commercial hatchery in Pakistan



- Livestock is an important sub-sector of Agriculture and contribute 52% value added in agriculture.
- Contribute 11.4% in the GDP.
- Poultry is the more organized sector of livestock with growth rate of 15 to 20 percent.



- Its share in agriculture growth is 4.81%
- Providing employment to approx 1.5 million people.
- Poultry share in the total livestock production is 23.8%.
- Production in 2010-11 is 767 million tones.
- Punjab is the main supplier of the poultry meat with share of 68%.
- Pakistan stands on 11<sup>th</sup> position in Asia in poultry production.



# Objectives

The specific objectives of the study were

- To estimate the role of poultry in employment generation
- To find the problems faced by players involved in value chain of broiler
- To give some policy recommendations for the improvement in poultry industry

# Methodology

It is divided into following sections,

- Data Collection Procedure

- 1- Selection of District

- 2- Selection of Towns

- 3- Selection of Respondents



# Analytical Framework

Role in employment generation is calculated by using Double Logged Model at each market level,

$$\ln Y = \beta_0 + \beta_1 \ln X_1 + \beta_2 \ln X_2 + \beta_3 \ln X_3 + \beta_4 \ln X_4 + \mu$$

Y= No of employ as a dependent variable.

The independent variables in the model for producer are

$X_1$ = Total profit of the producers

$X_2$ = Total farm are

$X_3$ = Purchase price of chicken

$X_4$  = Labour cost



The independent variables for the Wholesaler are

$X_1$  = Average labour cost

$X_2$  = avg overall profit

$X_3$  = Purchase price of chicken

$X_4$  = Sale Price

The independent variables for the Retailers are

$X_1$  = Average labour cost

$X_2$  = Average Profit of retailer

$X_3$  = Purchase quantity

$X_4$  = Purchase price

$X_5$  = Sale price

➤ Market Margins, profits are calculated by using statistical techniques,

➤ Average is calculated

$$AM = \sum X / N$$

➤ **Gross margin = Sp – Pp**

Where,

Sp = Sale Price

Pp = Purchase Price

➤ **Net Profit = Gm – Me**

Where;

Gm = Gross Margin

Me = Marketing Cost

- **Value addition (P)** = Sale Price – Maintenance cost – Cost on the Medicine – Feeding Cost per Unit – Mortality Rate – Electricity Charges
- **Value addition (W)** = Sale Price – Purchase Price – Cost on the Transportation – Physical Losses Due to Mortality
- **Value addition (R)** = Sale Price – Purchase Price – Marketing Cost per Unit – Physical Losses



# **Results and Discussions**

# 1. Education

*Cont...*

Education (years)	producer		Wholesaler		Retailer	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Primary	9	22.5	16	33.30	7	17.5
Middle	15	37.5	18	37.5	26	65.0
Metric	10	25	6	12.5	7	17.5
Above Metric	6	15	0	0	0	0
Total	40	100.0	40	100.0	40	100.0

## 2. Experience

*Cont...*

Experience (Years)	Producer		Wholesaler		Retailer	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
1-8	13	32.5	18	45	19	47.5
9-16	12	30.0	17	43	17	42.5
Above 17	15	37.5	5	12	4	10.0
Total	40	100.0	40	100.0	40	100.0

# Effect of Variables on Employment Generation at Producer Level

Variables	Coefficient
Constant	12.14 (0.229 )
Log of 45days labour Cost	-1.987 (0.085 )
Log of Price Chickens	-1.456 (0.009 )
Log area Farm	0 .783 (0.000 )
Log Total Trofit	0.612 (0.000 )



# Effect of variable on Employment Generation at Wholesale Level

Variables	Coefficient
Constant	11.829 (0.022 )
Log of Average Labour Cost	-0.989 (0.009)
Log of Over all Profit	0.120 (0.003)
Log Purchase Price Chicken	-0.803 (0.356 )
Log of Sale Price per Kg	0.092 S(0.000 )

# Effect of variables on Employment generation at Retail Level

Variables	Coefficient
Constant	-9.558 (.050 )
Log Average Wage	-0.045 (0.035 )
Log of Average Profit per Day	0.135 (.023 )
Log of Purchase Quantity	0.399 (0.001 )
Log of Purchase Price	0.354 (.723)
Log of Average Sale Price	1.049 (.334 )

# Conclusion

- There is no formal market of poultry is established in District Lahore.
- In poultry chain producers are bearing most of the risk.
- Poultry business is declining due to diseases.
- Per Kg profit of producer is almost 13 rupees
- Per Kg profit of wholesaler is almost 7 rupees.
- Per Kg profit of wholesaler is almost 11 rupees.

# Suggestions & Recommendations

- It is suggested that long run vaccination and de worming campaign should be started at national level.
- To improve the economic viability of poultry sector prices of the inputs should be lower and must be in reasonable limits.
- Short training courses should be offered to the stakeholders involved with this sector so that they enhance their efficiency.
- Price discrimination should be discouraged.



**THANKS**